(iii) During the investigations it was observed that some of the securities held by the company against the dues of Fairgrowth Financial Services Ltd. (FGFSL) do not appear to be genuine.

(iv) The effective security held by the Company against its exposure to FGFSL comprises only of bonds of the face value of Rs. 42 crores. At an estimated value of Rs. 80 per bond of the face value of Rs. 100, the realisable value will come to Rs. 33.60 crores, thus leaving a shortfall of Rs. 206.42 crores. The Company has advised that it has obtained additional security of estimated market value Rs. 101.59 crores. This would reduce the shortfall in security to Rs. 104.83 crores. Investigations are in progress.

Selling of arms by customs official in the black market

1985. DR. BAPU KALDATE:
SHRIMATI KAMLA SINHA:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that with the reversal of the earlier policy to hand over the confiscated arms to the treasury, customs officials are permitted to buy the confiscated weapons at a price less than their cost;

(b) if so, what is the nature of the confiscated weapons bought by the customs officials so far and what are the reasons for selling these weapons to them at a price less than their cost;

(c) whether Government are aware that the weapons sold to customs officials find their way into the market and are sold at a high premium;

(d) if so, whether Government have made any enquiry in this regard;

(e) if so, what are the details thereof; and

(f) what measures have been taken to prohibit selling of these arms in black by the customs officials?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR): (a) with effect from October 1987 confiscated non-prohibited bore weapons are in suitable cases, being loaned to Customs and Central Excise officials, who require them for self-protection in the course of their work on condition that the weapon is returned by the officers to the Department when no longer required or in any case on their retirement|superannuation.

(b) to (f) Information is being collected and will be laid on the Table of the House.

Proposal to convert IDBI into a company

1986. SHRI ASHIS SEN: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the Industrial Development Bank of India is a profit-making institution;

(b) what were its profits during the last three years;

(c) whether there is any proposal under Government's consideration to convert IDBI into a company under the Companies Act as against its present status of a Corporation; and

(d) if so, what is the manner in which the shares are proposed to be disinvested?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI DALBIR SINGH): (a) Yes, Sir.

(b) The profit earned by the Industrial Development Bank of India